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Development (1958) Department.

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[Despatch Abstract.]

Labour - Labour Ministers' Conference and held in May 1948 - Papers returned -

REGISTERED A.D.

GOVERNMENT OF INDIA.
Ministry of Labour.

No.LC.263(1). Dated New Delhi, the 30th June, 1948.

From:-
Rai Bahadur Sadashiva Prasad, M.A., B.L.,
Deputy Secretary to the Government of India.

To
(As per list attached)

Subject:- Summary of Proceedings of the Labour Ministers' Conference.

Sir,

I am directed to forward a copy* of the 'Provisional Summary of Proceedings of the Labour Ministers' Conference held in New Delhi on the 3rd and 4th May, 1948, with the request that amendments and comments, if any, on the draft proceedings may kindly be communicated to this Ministry by the 25th July, 1948, at the latest. In case no comments are received by that time, it will be presumed that you have no commendts to make and the proceedings will be finalised as soon after the 25th July, 1948, as possible.

Yours faithfully,

(Sd.) Sadashiva Prasad,
Dy. Secretary to the Govt. of India.

Copy with two copies of enclosures, forwarded for similar action to the:-

1. Ministry of Finance.
2. Ministry of Industry and Supply.
3. Director General of Resettlement & Employment.
4. Chief Labour Commissioner.

GOVERNMENT OF MINDIA
MINISTRY OF LABOUR.

SUMMARY OF THE PROCEEDINGS OF THE ALL-INDIA LABOUR MINISTERS' CONFERENCE HELD IN NEW DELHI ON THE 3RD AND 4TH MAY, 1948.

Agenda.	Pages.
I. The Minimum Wages Act, 48.	
(a) Should any wage policy be laid down which will be followed uniformly in all Provinces?	
(b) Machinery for determining minimum rates of wages. Should any principles be laid down for all Provinces?	
(c) Minimum wages in agriculture under the Act have to be prescribed for agricultural workers within the next three years. What are the steps to be taken to work up to this?	
II. Industrial Truce Resolution.	
(a) Steps to be taken for the distribution of profits after meeting the fair demands of labour and capital and after setting aside an appropriate amount for the Reserve Fund.	
(b) Central and Provincial Machinery. Working of Works Committees and Production Committees.	
III. Industrial Housing.	

/P.T.O.

IV. Measures taken by Provinces and States in strengthen the Inspection Services.

V. Future of the Employment Service and Training of Craftsman and Instructors.

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Present.

CHAIRMAN:	Hon'ble Shri Jagjivan Ram, Minister for Labour, Government of India
CENTRAL GOVERNMENT:	1. Hon'ble Shri R.K.S. Chetty, Minister for Finance, Government of India.
	2. Mr. S.Lall, C.I.E., I.C.S., Secretary to the Government of India, Ministry of Labour.
	3. Mr. S. Bhoottalingam, C.B.E., I.C.S., Joint Secretary to the Government of India. Ministry of Industry and Supply.
	4. Dr. N. Das, I.C.S., Director General, Resettlement and Employment.
ASSAM.	Hon'ble Shri Omeo Kumar Das, Minister for Labour.
WEST BENGAL:	Mr. S.K. Chatterjee, I.C.S., Secretary to the Government, Department of Commerce, Labour & Industries.
BIHAR:	1. Hon'ble Dr. A.N. Sinha, Minister for Labour.
	2. Mr. K. Raman, I.C.S., Secretary, Revenue and Labour Departme Government of Bihar.
	3. Mr. R. Sahaya, Special Officer, Industrial HousingSch Labour Department, Bihar.
BOMBAY:	Hon'ble Shri Gulzarilal Nanda, Minister for Labour.
CENTRAL PROVINCES.	Hon'ble Shri S.V. Gokhale, Minister for Labour.
MADRAS.	1. Hon'ble Sri H. Sitarama Reddi, Minister for Industries.
	2. Mr. K.G. Menon, M.B.E., I.C.S., Secretary to the Government, Development Department.
	3. Janab S.Abdul Quadir Sahib Bahadur, Regional Director, Resettlement and Employment.
ORISSA:	Hon'ble Shri Nityananda Kanungo, Minister for Labour.
EAST PUNJAB:	1. Hon'ble Shri Prithvi Singh Azad, Minister for Labour and Excise.
	2. Mr. M.R. Bhide, I.C.S., Secretary, Labour Department, East Punjab Government.
UNITED PROVINCES.	1. Hon'ble Shri Sampurnanand, Minister for Labour.
	2. Mr. T. Swaminathan, I.C.S., Secretary, Industries, Labour and Excise Departments, Government of United Provinces.
COCHIN:	Hon'ble Shri Balakrishna Menon, Minister for Food and Education.

Hon'ble Shri V. V. Dravid.
Minister for Labour — INDORE.

HON. Shri K.T. Bhashyam,
Minister for Law and Labour. — MYSORE.

1. Hon'ble Shri C. Kesavan;
Minister for Labour.

2. Mr. V.K. Velayudhan;
Labour Commissioner. — TRAVANCORE:

Mr. N.B. Cama,
Deputy Director of Labour. — BARODA.

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SUMMARY OF PROCEEDINGS.

After the Chairman welcomed the members, it was decided to take up item V - Future of Employment Service and Training of Craftsmen and Instructors.

ITEM V- FUTURE OF EMPLOYMENT SERVICE AND TRAINING OF CRAFTSMEN AND INSTRUCTORS.

EMPLOYMENT EXCHANGES

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The Hon'ble Shri K.T.Bhashyam suggested that the Employment Exchange organisation should be made permanent since that was the only method of effectively dealing with unemployment in the country. He further said that the employers must be called upon to notify vacancies and to give preference to those recommended by the Employment Exchanges. He suggested that there should be training centres to train people for employment in various industries so that realy qualified and trained men could be available for employment.

THE Hon'ble Shri Sampurnanand agreed that the Employment Exchanges should be made permanent but pointed out that the Provincial Government would not be able to take them over in their present form since they were too expensive. He felt that they would have to be maintained by the Provincial Governments according to their needs.

The Chairman enquired whether in view of the fact that there should be co-ordination between the activities of the various provinces and the Centre to help mobility of labour from one region to another it would not be necessary to have some central control over the Employment Exchanges or some measures for co-ordinating the activities of the various Provincial Governments and States.

The Hon'ble Mr. Sampurnanand replied that he realised that it would be necessary to co-ordinate the work of the Provincial Governments and to have, therefore, a Central Co-ordinating agency but not so much as a controlling agency

A Minister suggested that in the formative stages there should definitely be some Central control as otherwise it might be difficult to have a comprehensive labour policy on an All-India basis.

The Hon'ble Mr. H. Sitarama Reddi expressed the opinion that the provinces must be allowed to be autonomous and that in view of the fact that the organisation was concerned with fixing up the particular type of labour required for particular purpose in the Provincial field, the province concerned would be most competent to undertake the work. He personally felt that after the expiry of 2 years, there would be no need for central control and suggested that the existing Labour Department could take up the work thereafter. He agreed with the Hon'ble Mr. Sampurnanand that that the organisation was too expensive and strongly urged immdiate retrenchment.

THE CHAIRMAN pointed out that the Madras Government would wanted to extend the service to every district.

THE HON'BLE MR. SITARAMA REDDI replied that he wanted it on a small scale and that the Regional Officers need not be there, particularly in non-industrial areas.

THE HON'BLE SHRI S. V. GOKHALE was of the opinion that a Central co-ordinating agency was absolutely necessary, particularly because in future the Provinces might find it difficult to plan adequately with their limited finances and the Government of India would be required to help.

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Considering that the Provincial Governments had no experience of the training of personnel, he stressed that the Government of India must have a co-ordinating or controlling agency.

THE CHAIRMAN pointed out that although the exchanges would continue for 2 years, the training centres would continue for only a year and that unless the Provincial Governments took them over at the end of a year, the Government of India would have to disband them. He wanted the views of the Ministers on that point as well.

THE HON'BLE MR. SITARAMA REDDI suggested that if any province wanted to use the equipments, these may be transferred to the provinces concerned.

THE HON'BLE SHRI K.T. BHASHYAM suggested that the Employment Exchanges should be maintained by the Provinces and the Training Centres should be run by the Centre.

THE HON'BLE DR. A.N. SINHA pointed out that a resolution to the effect that the Employment Exchanges should be made permanent was adopted at the Provincial Labour Advisory Board. He agreed with Mr. Sampurnanand that if the Provincial Governments were to take them over, the existing scale of pay of officers would not be suitable for the Provincial Governments.

MR. S. K. CHATTERJEE (WEST BENGAL) agreed that the Employment Exchanges should be made permanent and expressed the opinion that it should come under the control of the Provincial Government after 1951.

THE HON'BLE SHRI O.K. DASS stated that the Government of Assam had not taken any decision regarding the future of the Employment Exchanges but thought that the Assam Government would agree to making them permanent. He was not in favour of the recurring expenditure for maintenance being borne by the Provincial Government. He agreed that the Central Government should bear the cost of the Technical Training Scheme and the Provincial Government should meet the recurring expenditure involved in training the boys from his Province.

THE HON'BLE MR. C. KESAVAN stated that it was proposed that the Employment Exchanges should be a permanent Department of the Travancore State Labour Exchange Organisation. He felt that it would be difficult to have Central control but that co-ordination would be much better. Explaining the dearth of technicians, he said that there should be more training centres than were provided for the State.

THE HON'BLE SHRI V.V. DRAVID (INDORE streesed that the success of the Exchanges depended on the employers' agreement to recruit workers through them and felt that the need for co-ordination would arise only in the transfer of large sections of labour in the deficit areas for which contract should be maintained between the Centre and the Provinces.

THE HON'BLE SHRI BALAKRISHNA MENON explaining the financial position of the State of Cochin, suggested that it would be much better if the Centre financed the scheme and made it permanent.

THE HON'BLE SHRI GULZARILAL NANDA thought that there was no diffference of opinion on theneed for the Employment Exchanges and that the training schemes were even more important. He was of the opinion that the actual administration should be left to the provinces. The Centre had, however, an important part to play because there would be need for co-ordination and pooling of experience. He suggested that training centres should also be under the provinces and that the training, even of ~~Inspectors~~,

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Inspectors, should generally be the responsibility of the Provinces concerned. The Centres should assist those provinces which would not be able to make their own arrangements. He suggested that if it was decided to transfer them to the Provinces, that should be done at once. Referring to the contention that some provinces might not be in a position to maintain the exchanges on the existing scales of pay, he felt that not only economy but efficiency should also be taken into consideration. The existing ratio of expenditure namely, 40: 60, between the Provinces and the Centre should be maintained.

THE CHAIRMAN pointing out that employment was entirely a Provincial subject explained that if Provinces expected help from the Centre that subject would have to be transferred to the concurrent list and wanted to have the views of the members on that point.

THE HON'BLE SHRI K.T. BHASHYAM re-iterated that the Provinces should run the Employment Exchanges themselves but the Training Centres would have to be financed by the Centre.

MR. LALL explained that a special amendment of the Constitution was made in the Parliament authorising theCentre to udndertake the work for a period of five years and that when that authorisation would be over, the Centre would have no power under the new constitution to run these Exchanges.

THE HON'BLE SHRI GULZARILAL NANDA suggested that employment would have to be made a concurrent subject and the centre should take the keenest interest in the question of employment and training.

THE CHAIRMAN stated that it appeared that there was unanimity on the point that the Exchanges should be placed on a permanent footing and that there should be some co-ordination. Since there was some difference of opinion as to whether they should be in the hands of the Provincial Governments or there should be some Central control, he suggested that the matter should be taken up with the Provincial Governments in greater detail by correspondence. He thought that there was unanimity on the point that employment should be in the concurrent list.

MR. LALL summarising the conclusions stated that it was decided that Employment should be a concurrent subject, that the Employment Exchanges should be continued, that they should be run by the Provinces and the Centre should co-ordinate and continue to make financial contribution.

TRAINING CENTRES.

THE CHAIRMAN while opening discussion on training centres requested the members to keep in view the industrial policy of the Central Government.

THE HON'BLE SHRI K. T. BHASHYAM stated that, that was one of the reasons why he had suggested that the Central Government should finance the training Centres. He re-iterated that even if the Training Centres would be administered by the Provinces and States the Central Government should finance them. He agreed with Mr. Bhashyam. Nanda that co-ordination was necessary in respect of particular items.

THE HON'BLE MR. KESAVAN agreed with Mr. Bhashyam.

THE HON'BLE MR. DRAVID (INDORE) suggested that the Centre should be responsible for laying down the general policy, for setting up standards, for equipment and finance for examination and trade testing of the personnel and the rest should be managed by the provinces.

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THE HON'BLE MR. SAMPURNANAND expressed the opinion that the Training Centres should be run by the Provinces but financial help should come from the Central Government, who could do very useful work in the way of co-ordination by setting up standards. He, however, stressed that the institutions for training craftsmen and instructors should be run by the Central Government.

THE HON'BLE MR. PRITHIVI SINGH AZAD stated that the Central Government should finance the Provincial Governments' Industrial schemes and that although the Provinces should control the centres, the required co-ordination should be provided by the Centre.

THE CHAIRMAN pointed out that in view of the general desire that there should be uniformity of standard of instruction, it would be necessary for the Centre to furnish directions and to get them inspected from time to time.

THE HON'BLE MR. SAMPURNANAND agreed.

THE HON'BLE MR. KANUNGO agreed with the United Provinces Minister but stressed that the institutions should be established on a regional basis and places like Orissa where none of the training institutions could be opened during the War, should receive preference in the opening of these Centres

THE HON'BLE MR. SITARAMA REDDI referring to the language difficulty suggested that it would be advantageous to have craftsmen and instructors trained in the Provinces. He felt that the standard of instruction was much lower than that prescribed for the Provincial Government's industrial schools and polytechnics and as such the institutions would have to be graded up.

THE HON'BLE MR. S. V. GOKHALE stated that the Provincial Government would require help in men, material, equipment and finance from the Central Government and suggested that the institution should be run as a part of the Provincial administration so that the Provincial Government could benefit by the experience.

THE HON'BLE DR. AN. SINHA referring to the proposal of opening a training centre in Bihar suggested that it should be opened as early as possible to be taken over by the Provincial Government in due course.

MR. S.K. CHATTERJEE stated that the Provincial Government would agree to take over the sixteen vocational training centres in the Province and to bear the entire expenditure provided the Central Government would pay a suitable subsidy and that the co-ordination of the Central Government would be welcome so that there might not be any unnecessary duplication. He agreed that there should be uniform standards of Training, Central Inspectorate, if necessary, and that the Inspectors for the Province would be sent for training to the Central Institute at Bilaspur.

THE HON'BLE MR. O.K. DASS agreed that the training centres should be organised on a national basis and that a uniform standard of training should be maintained. He agreed that the Provincial Government would participate in the Central Institute for the training of craftsmen and instructors.

The CHAIRMAN pointed out that education being a Provincial subject, there might be constitutional difficulty.

THE HON'BLE SHRI SAMPURNANAND enquired how the Central Government made contributions for education.

THE HON'BLE MR. BHASHYAM suggested that the difficulty could be solved by making technical education a concurrent subject.

THE CHAIRMAN replied that the constitutional position would be ascertained later on. Referring to the fact that the financial sanction for the training centres was up to August, 1949; he thought it would be better if the Employment Exchanges and the training centres could be handed over simultaneously. The training centres might be continued for a year more on the existing basis and if necessary, handed over simultaneously with the exchanges to the Provincial Governments.

As some of the members suggested that the discussion on item I - The Minimum Wages Act, 48, should be postponed it was agreed to take up item IV.

ITEM IV - MEASURES TAKEN BY PROVINCES AND STATES TO STRENGTHEN THE INSPECTION SERVICES.

INSPECTION SERVICES.

THE HON'BLE SHRI V.V. DRAVID suggested that apart from the regular Inspectorate, there should be authorized non-officials with powers to visit or inspect factories.

THE CHAIRMAN enquired whether that would not be dangerou
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THE HON'BLE SHRI N. KANUNGO thought that if a non-official passed a certain test, there would be no harm in appointing him as an Inspector.

THE HON'BLE SHRI V.V. DRAVID pointed out that his proposal was in respect of very simple provisions of the Factories Act and as such it would not be necessary to trai the non-officials in the intricacies of the Act.

THE HON'BLE SHRI N. KANUNGO stated his Government had also authorized the Sub-Divisional Officers to make the Inspections.

THE HON'BLE MR. GULZARILAL NANDA expressed the opinion that the problem would be solved if the number of inspectors was increased. He felt that the Inspectors should look int non-technical matters as well, e.g., Welfare Sanitation, Canteens etc.

THE HON'BLE MR. BHASHYAM stated that in Mysore there was a Labour Welfare Board consisting of about 15 members who were authorised to visit industrial concerns but had no control over anybody. He did not, however, feel that it would be proper to authorise everybody to go and interfere with industrial concerns.

THE HON'BLE SHRI KESAVAN said that in Travancore there was an organised Government agency to see to the welfare of workers and that it had been working very efficiently. He explained how the Factory Inspectorate was working in Travancore.

MR. MENON agreed with the Travancore representative.

THE CHAIRMAN pointed out that anybody appointed as or vested with the powers of an Inspector would become a public servant automatically.

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ITEM III - INDUSTRIAL HOUSING

INDUSTRIAL HOUSING.

THE HON'BLE SHRI SAMPURNANAND first pointed out that there was no reference in the memorandum to the decision, reached at the last Labour Ministers' Conference and requested Mr. Lall to throw some light on that aspect of the question.

MR. LALL explained that the decision taken by the Labour Ministers' Conference at the last Session was fully supported by the Labour Ministry but the Finance Minister objected to the principle of raising a cess for housing. In replyto a query of the Hon'ble Mr. Sampurnanand, he said that the only exception was the coal cess because of special urgency. He said that if money was required for housing, the Finance minister would himself find the money. He further explained that if the cess was not to be levied, either the Government of India would give a cash grant per house and ask the Provinces and the employers to find the balance or would meet the recurring cost. He further explained that if 7½ per cent was provided, all charges would be met. The proposal was that 3% would be realised from the worker by way of rent (subject to a maximum of 10% of his wages), 1½ from the employer, the Central Government would give 2% and the Provincial Governments 1%. He further pointed out that the average cost of construction per house would be Rs.2,500/- including cost of land as well, except in cities like Bombay Calcutta, Kanpur, Madras and Ahmedabad.

In reply to a query, he stated that the Housing Sub-Committee of the Standing Labour Committee had recommended that there should be two rooms 12' x 10' each (as against the Bhore Committee's recommendation of 250 sq.feet.), a verandah 12' x 7' running right round and the proposal was to give a verandah.

THE HON'BLE SHRI SAMPURNANAND enquired whether an estimate of cost in any othe bigger cities had been made.

MR. LALL replied that according to Public Works Department specifications, the cost in Dhanbad would come to Rs.3,000/- and including land to Rs.3,500/- and that the built area would be 360 sq.ft.

THE CHAIRMAN explained that the cost would now be slightly less.

THE HON'BLE SHRI V.V.DRAVID felt that it was an underestimate even in second grade cities.

MR. ALALL replied that the Government were experimenting with mud houses specially processed and this had brought down the estimated cost.

THE CHAIRMAN explaining the scheme stated that there would be a Central Housing Board and a Provincial Board under the Provincial Government in every province. The Central Board would take a loan from the Centre. He pointed out that the workers would not pay more than 10% of their wages and that the balance would be adjusted between the Central and Provincial Governments.

THE HON'BLE MR. O.K DASS drew attention to the fact that the Tea industry in Assam was willing to build houses for the labourers and to bear the cost in its entirely but that they were waiting for the sanction of the plan. He enquired when the plan would be finalised and whether the intention of the Government was to build houses for tea garden labourers as well.

THE CHAIRMAN replied that the Provincial Housing Board would look to all the details and that the National Housing Board would arrange the finance

MR.LALL pointed out that the report showing the minimum standard of housing for tea estate workers had alread been published and the industry could go ahead with the construction of these houses.

THE HON'BLE SHRI V.V. DRAVID enquired whether the same policy would hold good in the case of the States.

THE CHAIRMAN replied that there would be no difficulty if the States would fall in line with the Provinces.

THE HON'BLE SHRI H. SITARAMA REDDI stated that the United Planters' Association, South India, had sent some plans for housing but the Government wanted a different type of housing. The industry replied that they could not afford to build the desired type of houses.

MR. K. G. MENON pointed out that the United PROVINCES A.S.I. plan provided for 200 sq. feet as against 240 sq.ft. proposed by the Government. He stressed that it was better to have some houses instead of no house at all.

THE CHAIRMAN remarked that it was better not to have anything than to have something bad or indifferent.

THE HON'BLE MR. SITARAMA REDDI explained that the newly built houses inspected by him were better than those at present occupied by the workers and as such it would be better to arrive at a decision.

THE CHAIRMAN remarked that the matter would have to be examined in detail.

MR. K.G. MENON suggested that there should be some margin for changes for particular localities.

THE CHAIRMAN agreed.

THE HON'BLE MR. BHASHYAM was against the building of houses by employees at their own cost and was of the opinion that the Government should take the entire thing into their hands. He suggested that the employers should make over the amount they were prepared to spend to a Corporation and pointed out that in Mysore they were starting a Labour Housing Corporation. Referring to the Mysore plan of housing he thought that the plan could not be adopted all over the country but stressed that every house must have a separate bath and a lavatory. He offered to send their Engineer to Delhi for explaining the details in this connection.

THE CHAIRMAN replied that he would ask the Engineer to build some houses in Delhi.

THE HON'BLE SHRI GULZARILAL NANDA expressed the opinion that out of 7½% put down as recurring expenses, 3% would be for interest, 2% for sinking fund and only 2½% would be left which would be too inadequate. He felt that in actual practice the expense would be much more than was estimated and enquired as to who would bear the resultant losses. Referring to the workers' contribution which, according to the proposal, would very between 3% of capital cost and 10% of their pay, he felt that it would be difficult to bridge the gap. He enquired how the employer was going to pay his share, whether it would be a general payment and how it would be collected. He also pointed out that where mud houses were not feasible, the question of securing building materials would arise. He raised the question as to who should be considered as workers and suggested that instead of limiting the scheme to factory workers only, it should cover all kinds

~~kinds~~ of employees.

THE CHAIRMAN explained that originally the idea was to consider only industrial workers and the clerical staff in industrial establishments.

The Hon'ble Mr Gulzarilal Nanda felt that in that case it would be almost impossible to have housing in Bombay.

THE HON'BLE MR. SAMPURNANDAND said that considering the fact that houses would have to be built in the big cities first, the actual cost would come to about Rs.5000/- each house and that ~~any~~ all calculations would have to be revised. He was of the opinion that even on the basis of Rs.2,500/- per house, the Provincial Governments share of the annual contributions would come to several crores which most of the Provinces would find it difficult to meet. Drawing attention to the fact that the ~~sking~~ Sinking fund which was intended to cover the repayment of loan, he enquired how new houses were going to be built for the explanding industry and whether everytime the Housing Board would have to approach the Central Government for loans. He expressed the opinion that in drawing up the scheme, the Central Government had over-estimated their own capacity as well as that of the Provincial Governments. He hoped it would be possible to devise some source of revenue and stressed that the kind of cess suggested at the last meeting should be considered.

THE HON'BLE MR. NANDA explained the special difficulties of housing in Bombay.

MR. LALL thought that the 2½% allowed for maintenance was quite enough. He stated that the idea was that the loss would be met by the Central and Provincial Governments. He thought that considering that an average worker's family contained 1.6 wage earners, the loss would not be very heavy and that it would be adjusted over 5 years. Referring to the fact that steel and cement were in short supply, he thought that in the initial stages cement and steel structures would have to be limitted. Explaining that one of the important functions of the Housing Board would be to keep down the cost of construction, he hoped that after the initial difficulties were got over, it would be possible to build houses at less cost, and that during the first few years houses would have to be of mud.

THE HON'BLE MR. SAMPURNANAND pointed out that mud houses would necessarily have to be one storeyed and as such they could not be tried in Bombay, or Calcutta for want of space.

THE HON'BLE SHRI O.K. DASS stated that mud houses would not be suitable in Assam.

THE HON'BLE SHRI H. SITARAMA REDDI enquired whether it was proposed to charge rent on the basis that there were 1.6 earners in a wage-earner's family.

THE CHAIRMAN replied in the negative and explained that considering that in most of the families both the husband and the wife were earners, each house would accommodate more than one or 1.6 labourers.

THE HON'BLE MR. BHASHYAM explained how rent was being charged in Mysore.

THE REPRESENTATIVE OF THE FINANCE MINISTRY explained that the allocation of the houses would be done by the Housing Board after taking into consideration various factors.

THE HON'BLE MR. NANDA referred to the original idea the Bombay Government of having a levy per head according to the number of houses allotted to meet the ~~deficit~~

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deficit and pointed out that the Provincial Government would not be able to pay anything and their share would also have to come from the employers.

THE REPRESENTATIVE OF THE FINANCE MINISTRY explained that since the maximum number of houses would be available only after the 30-years period or 10 years period, the recurring liability of the Central and the Provincial Governments would increase progressively but the expectation underlying the scheme was that as and when progress was made with it and housing was provided, production would increase and there would be more wealth and as such the Centre and the Provinces would be able to find the money in time. He did not think Mr. Nanda's fears would be justified if a start was made on the assumption that money would have to be found during the next 2 or 3 years.

THE HON'BLE MR. NANDA explained that considering the 25,000 houses would have to be built in Bombay at a cost of Rs.6,000/- each, it would not be possible for the Provincial Government to take the liability.

THE HON'BLE MR. SAMPURNANAND expressed the same opinion.

THE REPRESENTATIVE OF THE FINANCE MINISTRY pointed out that the Central Government had no money to put up the houses and if the Provincial Governments were of the opinion that there would not be any increase in the revenues the scheme would not go through.

THE HON'BLE MR. NANDA replied that the Provincial Government would accept the responsibility provided it was left to them to tax the industry.

THE HON'BLE MR. BHASHYAM suggested that a fair distribution would be 3 per cent Central Government 3 per cent Employer and 1½ per cent worker.

THE HON'BLE MR. REDDI questioned the correctness of making use of the General revenues for the benefit of a particular class of the community.

THE CHAIRMAN enquired whether the idea of setting apart the Provincial share of the income tax or a part of it for industrial housing would be acceptable.

THE HON'BLE MR. REDDI did not agree.

THE CHAIRMAN enquired whether the idea of setting apart the Provincial share of the income tax or a part of it for industrial housing would be acceptable.

THE HON'BLE MR. REDDI did not agree.

THE CHAIRMAN remarked that income tax mainly accrued from the industries and if it was considered that the idea was to benefit the industrial workers alone, a portion of the income-tax could be earmarked for industrial housing.

THE HON'BLE MR. REDDI enquired whether those industries which were willing to make contributions for housing would be exempted from income-tax on the contribution.

THE HON'BLE MR. NANDA said that that point had been referred to the Government of India by the Bombay Govern

THE HON'BLE MR. REDDI stressed that as a means of providing the incentive it should be exempt from income tax.

THE HON'BLE SHRI S.V. GOKHALE suggested that all facilities should be given to the workers but they should build their own houses.

THE HON'BLE DR. A.N. SINHA referring to the variety of conditions obtaining in the various centres in Bihar, pointed out that knowing that Government would give some assistance even Jamshedpur people would not build houses. Quoting certain facts and figures, he stated he was not in a position to commit his Government to the expenditure. He, however, felt that the suggestion that the industry should be taxed should be accepted, but the burden should be shared by the industry and the Government, the industry's share being higher.

MR. S. K. CHATTERJEE referring to the influx of refugees from East Bengal and the consequent rise in the land values in Calcutta felt that the estimate of Rs.5,000/- per house would have to be raised higher in the Calcutta industrial area. Pointing out that the housing problem was a general problem affecting all classes of population he suggested that the Provincial Governments should decide what expenditure they could undertake for housing as a whole and then the industrial workers could get a quota out of that total expenditure. Referring to the suggestion that the Provincial Government's share should be 1% out of the proposed 7½%, he stated that the could not comit his Government to the expenditure.

He pointed out that a certain Company had furnished a scheme to the West Bengal Government according to which they could build a house by using bamboos alone, timber being required only for doors and windows, the charge being Rs.4/8/-per sq. ft. He further referred to other schemes and stated that he would hand over the details to Mr. Lall, after the Conference was over.

THE HON'BLE SHRI O.K. DASS had no remarks to offer.

THE HON'BLE MR. V.V. DRAVID felt that an important question was being dealt with in a diffident manner. Referring to the pressing necessity of housing and to the financial position of the Provincial and Central Governments, he expressed the opinion that the inevitable conclusion was that the industry should be taxed and it would have to shall out the money from its profits for providing housing. He stressed that the scheme should not be thrown over board for want of finance.

The HON'BLE SHRI NITYANANDA KANUNGO suggested that there should be analternative plan for metropolitan areas like Bombay, Calcutta, Kanpur etc. and another plan for the rest of the country. The Government of India should evolve a workable scheme in consultation with experts and with Provincial Governments like Bombay and the United Provinces. He made it clear that the Orissa Government would not be able to finance anything.

THE HON'BLE MR. REDDI stated that the housing scheme could not be financed by the Provinces.

THE HON'BLE MR. Sampurnanand made the same remark.

THE HON'BLE MR. NANDA reiterated that the Provinces should be allowed to put their hands on the industry for finding the necessary capital for providing housing.

THE HON'BLE MR. REDDI suggested that as an alternative, the Government of India should exempt the money spent on providing housing by the employers from income-tax.

THE CHAIRMAN explained that if the employers' contribution wasto be handed over to a Board to whom the administration of housing would be left, the question of exemption would certainly be considered.

THE HON'BLE MR. BHASHYAM felt that if the matter would be left to the employer on a voluntary basis, it would not solve the problem and suggested that the Central Government should contribute the employers %%, and the workers 1½% to the cost of the scheme.

THE HON'BLE MR. NANDA felt that if nothing was done regarding housing, the industrial truce would be destroyed and it would have serious repurcussions. He pointed out that the Provincial Governments were not contributing anything because of their sheer inability to do so. He suggested that since the Government of India had offered some money, the industry should pay the rest. He suggested that instead of having the same type of house for all families, small families should have small houses. HE explained that in Bombay the same principle had been followed but pointed out that mud houses were not possible there because of the cost of land. He suggested that houses for those who came from longer distances should be built outside the city. He expressed the opinion that charging rent at 10% of pay would not be practicable. He also suggested that steps should be taken to stop sub-letting of houses and that the powers by means of legislation to allow those persons to buy house who wanted to do so. He also felt that non-workers should also be given financial assistance.

THE CHAIRMAN asked Mr. Nanda to explain the difficulty about the Housing Board.

THE HON'BLE MR. NANDA explained that legal opinion was that the Housing Board could not discharge the functions of trading estates. In reply to a query of the Hon'ble Mr. Bhashyam, he explained that the Government of India would give to the Provinces 2% or 1% and the rest should be the liability of the employers. He also explained that to ensure that the principles of finance were not disturbed, the Bombay Government had put it down as a levy per head and not as an excise.

THE HON'BLE MR. R.K.S. CHETTY re-iterating his remarks in the Industries Conference stated that it was really the function of the State to undertake the primary responsibility for the housing of industrial labour. He was of the opinion that even though by legislation it might be sought to shift the burden on to the shoulders of industry, in practice it would retard industrial progress. He pointed out that if the industries were to build houses for every worker, it would mean that the capital required for housing would be much greater than the capital required for starting the industry itself and as such that would not be a practical proposition. Pointing out that by "State" he meant both the Central and Provincial Governments he stressed that it was time for Government to go ahead with some scheme or other. He explained that if the expectation was that the Central Government either by itself or in collaboration with the Provincial Governments would advance, as an outright grant, the amount required year after year for building the houses, the annual burden on both the Central and Provincial exchequers would be so great that it would be impossible to find out the required money. He pointed out that that the only way in which the problem could be tackled was for the Central Government to find by means of loans and advances to some authorized body the amount required for the purpose. He was prepared to undertake the responsibility of finding the necessary amount to be advanced as a loan for going ahead with the scheme of constructing houses for industrial workers. He then stated that once the capital was forthcoming, the next point would be to find the annual recurring income which would be necessary for the ~~maintenance~~

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maintenance of the houses, for the payment of interest on the loan and for the repayment of the principal. He said that the most equitable way of tackling the problem would be to levy a contribution on all the parties concerned. He pointed out that during his recent visit to the South, the workers assured him that they would cheerfully bear the burden. Referring to the proposal that the industry was required to pay only 1½, he made it clear that that was in a sense a cess. The point was whether a cess was to be levied on the basis of production instead of calculating it as a certain percentage on the cost of the houses. He stated that he objected to the proposal of directly levying a cess on industry based on the value of the unit or the unit as such. Drawing attention to the fact that the Centre would have to depend more and more upon excise duties, he emphasised that any scheme of excise duties, should not be complicated by super-imposing on it another cess or additional excise duty. Referring to the interference of Provincial Sales Tax in the collection of the Central Excise duties, he made it clear that any cess upon industry purely for industrial housing was not merely unsound but very undesirable. Making it clear that the Central Government did not want to bargain with the Provincial Governments, he hoped that the Provincial Governments would consider the Provincial quota of 1% as against 2% of the Centre a very equitable distribution. He said that as a result of industrial development, the Provincial Governments would be the greatest beneficiaries. He drew attention to the facts that 50% of the income-tax was being allotted to the Provinces, that nearly 30 crores of rupees per year were being given as development grants and that the Centre had agreed to give the whole of the 180 crores of rupees contemplated in the post-war development scheme. He stated that the lion's share of the income-tax was being given to the Provinces and stressed that the Provinces should realize that it would be their responsibility to ensure that the Centre was thoroughly sound and there should not be any serious deficits in the Central budget. He felt that considering all these factors, the Provincial Governments would agree that it was a joint responsibility and that in the all-India schemes they should not impose undue burden upon the Centre. Referring to the contention that the Provinces had no money for the purpose, he pointed out that during the earlier years the contribution from the Centre and the Provinces would be comparatively small and considering that the scheme would be spread over a period of 10 years and that the financial position was very likely to improve within 2 or 3 years, there was no longer danger of the provinces undertaking a liability beyond their means.

THE HON'BLE MR. BHASHYAM quoting certain facts and figures enquired whether it would be possible to build a house for Rs.2,000 for a worker in Bombay or Calcutta.

THE HON'BLE MR. R.K.S.CHETTY replied that the minimum wage of workers in Bombay or Calcutta was about Rs.72 as against Rs.60 at other areas and that the cost of a house would be Rs.5,000, without land. Drawing attention to the fact that there were about 1.5 earners per family on an average, he said that it was clear that in some families there would be 2 earners and that being so, the rent could be so adjusted in those cases that it would be possible to make good the total amount required. He was sure that if the principle of asking two earners of the same family to contribute 1½ of what was expected of one earner was accepted, the income would be sufficient to meet the demands for the various charges. He felt that should there be a deficit, there should be some provision under which there would be a quinquennial account taking of the transaction of the Central Housing Board, so that Government could decide how to meet that deficit.

THE HON'BLE MR. NANDA pointed out that the suggestion about 2 earners in a family contributing towards rent

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rent was a part of the Bombay Scheme. He, however, pointed out that the Provincial Governments were unanimous that it would not be fair to expect them to take any share of the financial burden Dwelling upon the Bombay Scheme, he said that although 1½ crores rupees had been spent last year and the proposal was to spend rupees 2½ crores during the current year nothing much could be done. He further pointed out that the previous proposal was to have a levy of Rs.2/- per month per employee and that the Centre would pay one-third, the Provincial Government rupees 5 crores and the employer the rest. In reply to the Hon'ble Mr. Chetty's query, he pointed out that his main objection was that the cost per house in Bombay would be much more than at other places and as such the Provincial Governments' liability would be bigger. Secondly, a very large number of houses would have to be built and thereby the wages in Bombay being higher than elsewhere the gap between 3% and 10% would be greater and would thus increase the Provincial Government's liability still further. Moreover, houses for non-workers also would have to be built. He suggested that the scheme should cover all employees up to a certain level of income.

THE HON'BLE MR. CHETTY remarked that although theoretically he agreed with Mr. Nanda's suggestion, it was not a practicable proposition.

THE HON'BLE MR. NANDA reiterated that the Bombay sche was more practical because houses could be built outside the city for the other workers.

THE HON'BLE MR. BHASHYAM enquired as to what was the formula for recovery from the employers.

THE HON'BLE MR. CHETTY replied that it was proposed to make a levy ofRs.3 per head per month on all the workers employed by the industrial concern and that every factory would have to pay that levy.

THE HON'BLE MR. NANDA pointed out that there were other employers also who employed workers in considerable numbers.

THE HON'BLE MR. CHETTY felt that it would not be fair to go on levying Rs.3/- on all employees, irrespective of whether they were factory employees or not and then failing t provide housing to them within a reasonable time.

THE HON'BLE MR. REDDI enquired whether the dearness allowance would be reduced because of the provision of houses

THE HON'BLE MR. NANDA replied that no dearness allowance was paid on rent in Bombay as it had been assumed that rant had remained at the old level.

THE HON'BLE MR. REDDI enquired if in view of the fact that the industry would pay Rs.3 in respect of each worker employed, there would be any reduction in the dearness allowance.

THE CHAIRMAN replied that the question was under examination.

THE HON'BLE MR. NANDA suggested that the best thing would be to move the industry out of Bombay and build cheaper houses.

THE HON'BLE MR. CHETTY remarked that an All-India scheme could not be based on the peculiar conditions of Bomba

THE HON'BLE MR. SAMPURNANAND expressed the opinion that it would not be possible for the United Provinces Government to meet the liabilities.

THE HON'BLE MR. BHASHYAM enquired whether the Centre would help the States with funds.

THE HON'BLE MR. CHETTY replied that when the States accepted the general financial structure and surendered incom tax etc., they would get subsidy from the Centre.

THE CHAIRMAN remarked that the question would be examine in detail on the basis of Rs.3 per head from the employers.

THE HON'BLE MR. REDDI enquired what would be the position if the industry wanted to construct houses.

THE CHAIRMAN replied that there would be no objection. He was glad that the House had come round to capitation tax which would be taken up with the Finance Ministry and finalised. There would be a National Housing Board and also Regional or Provincial Housing Boards to correlate and co-ordinate the activities in the various provinces. He made it clear that the amount so realised would be spent proportionately to the income drived from the Provinces although Provinces like Orissa or Assam would not be ignored.

ITEM II - INDUSTRIAL TRUCE RESOLUTION.
d INDUSTRIAL TRUCE RESOLUTION.

MR. LALL explained that at a meeting held between the different Ministries of the Government of India it was agreed that -

(a) the Ministries of Labour and Industry and Supply would draw up a complete plan of the machinery - Central, Regional and Unit - which they proposed to set up for the implementation of the Truce Resolution and for the co-ordination of the work of the various Committees and Boards;

(b) the Central Advisory Council to be set up by the Labour Ministry would be a Tripartite Body and its personnel would be decided as early as possible,

(c) the Wage Boards which should be tripartite would be set up for the major industries in the first instance and then for the others.

The functions of the Wage Boards would be the following:-

(i) to study the existing levels of wages in the industries to be dealt with by the Wage Boards;
(ii) to suggest measures for standardisation; and
(iii) to report whether the wage level in that industry was unfair to labour and should be revised.

Before setting up the Wage Boards, the Central Advisory Council would be asked to draw up a directive indicating the broad lines of policy which should be followed by the Wage Boards. The Advisory Council and the Wage Boards would have purely advisory functions, and the decision would rest with the Government concerned. In the case of industries falling within the Central Sphere, the Wage Boards would report to the Central Government and in the case of others, to the Provincial Governments who would consult the Central Advisory Council before taking any action. The co-ordination of the work of the Wage Boards so far as the Central sphere undertakings were concerned would be done by the Central Advisory Council and in the case of Provinces by the ~~Provincial~~

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Provincial Advisory Councils. The determination of fair remuneration to capital for all industries would be the responsibility of the Centre and not the Provinces. Before appointing the Central Advisory Council, the Government of India would set up an Expert Committee to formulate principles governing the determination of fair remuneration to capital and the method of sharing the product of the common effort of capital and labour after making provision for payment of fair wages, a fair return to capital and reasonable reserves for maintenance and expansion of the undertakings. The Expert Committee would consist of three Employers' representatives, three workers' representatives, one economist and of Government of India representatives from the Ministries of Labour, Industry and Supply, Finance and Commerce. The Government of India representatives of the Expert Committee should meet and decide what should be the terms of reference for the Expert Committee, the meeting being convened by the Ministry of Industry and Supply. The Expert Committee would report not later than the end of June, 1948, and the report would go before the Central Advisory Committee. He further stated that the machinery for studying labour problems was also being expanded. Under the new Central machinery, there would be various sub-Committees, one of which would be known as Wages Sub-Committee which would lay down the wage policy throughout India and that the recommendations of that committee would go before the main committee. Another sub-committee would deal with production, a third with industrial relations and a fourth with housing and welfare. He also pointed out that for each major industry there would be a Wages Sub-Committee and a production Sub-Committee.

THE HON'BLE MR. SAMPURNANAND stated that in the United Provinces, the Provincial Government were working more or less on the above lines and that in addition they had a Standing Committee of members of the Legislature and permanent Conciliation Boards for a number of industries. He said that it was not possible to express an opinion on the proposals at present.

MR. LALL pointed out that an outline of the scheme was circulated to the Provincial Governments in February last and that the scheme was considered at the Labour Conference.

THE HON'BLE MR. DRAVID expressed the opinion that the Committee being of a tripartite nature, industry and labour would pull in difficult directions and considerable time would elapse before finalising the decisions. He enquired how fair wages in major industries would be decided.

MR. LALL replied that the Advisory Council would be there and the Government would enforce its own decision.

THE REPRESENTATIVE OF THE FINANCE MINISTRY explained that the Wages Sub-Committee would make its recommendations to the Central Advisory Committee which would recommend a certain wage structure to Government and that the Wages Board would be a standing Committee which would, from time to time, vary the wage structure according to the cost of living index.

THE HON'BLE MR. SAMPURNANAND enquired whether it was contemplated that the Trade Unions as a body would enter into agreement with the employers.

MR. LALL explained that if it was collective bargaining, the question of fair wages would not arise.

THE HON'BLE MR. SAMPURNANAND felt that the position was not quite clear and citing the case of the sugar industry, wanted to know whether the agreed wages would come before the Central body for being brought to some All-India level.

THE CHAIRMAN replied in the affirmative.

THE HON'BLE MR. SAMPURNANAND felt that that would cut across some of the accepted principles of trade unionism. He enquired whether even an agreement of the minimum wages tribunal would require endorsement by Government.

THE CHAIRMAN conceding the point explained that the Government had to look after the same industry in different provinces. He replied in the affirmative to the query.

THE HON'BLE SHRI S.V. GOKHALE enquired whether the Central Provinces Government could enforce the decision on their Textile Tribunal.

THE CHAIRMAN replied that the Provincial Government could enforce the decision.

MR.LALL further explaining the Resolution from the Ministry of Labour's point of view said that it provided that excessive profits would be taken away by suitable taxation and that fair wages would be given to labour. There should be a fair return on capital, and reasonable reserves should be built up. The residue of profits should be shared between capital and labour, and there should be maximum production, and minimum industrial friction. It further provided for amelioration of labour conditions with top priority given to housing. The second part of the Resolution provided for the machinery. The question of taxation of excessive profits would be left to the Finance Ministry. Referring to the payment of fair wages to labour, he pointed out that in India fair wages, according to International Standards, could be reached only by progressive stages. The determination of fair wages involved numerous factors, some national and some financial. The machinery for its determination would have to be provided with reasonable statistics and data or in other words a fair wage policy would have to be developed. He stressed the imperative necessity of co-ordination in that policy as between the different provinces and industries. Referring to his discussions with the Ministry of Industry and Supply on the question of fair remuneration to capital, he pointed out that it would be very difficult to decide the matter and that it might be necessary to set up Dividend Equalisation Reserves. The Industry and Supply Ministry would take a leading part in the matter but all proposals would come before the Tripartite Organisation for discussion. He felt that the building up of reasonable reserves would require a certain measure of supervision and control over the accounting of industrial concerns. The sharing of the residue of profits and the questions arising therefrom would be examined independently by the Ministries of Industry and Supply and Labour and all conclusions reached after discussions and after obtaining the views of the Expert Committee would come before the Tripartite Central machinery. Referring to the causes of all in production, he stressed that a machinery would have to be set up to examine them so as to achieve maximum production. Pointing out that the Central Conciliation machinery had been strengthened and attempts were being made to set up industrial tribunals, he stressed that in all industrial disputes there was a need for co-ordination in view of the various policies adopted by different provinces as also because of various awards. He said that the amelioration of conditions of employment could be achieved either by legislation or by co-operation between industry and Government and that the question being one of finance it should be considered whether a part of the surplus profits should not be set apart for welfare work. Referring to the machinery to be set up, he stated that the first point for consideration was whether it should be a new machinery. If it was to be a new machinery, the question would arise how to correlate and co-ordinate the new and the existing machineries.

He further pointed out that the machinery would be at Centr Regional and Unit levels. Referring to the practice obtaining at Geneva of setting up sub-Committees of the main tripartite machinery, he felt that in the implementation of the Resolution sub-Committees would have to be set up for dealing with such items of the programme which the main Committee would not be able to handle and that the sub-Committees should be for wage production, welfare and housing and industrial relations. He explained that after the Expert Committee was set up and had offered their advice on fair return on capital and about sharing of profits, the Government would be in a position to see what machinery would be required to be set up. The Industrial Committees already set up would have to be developed. So far as the Central undertakings were concerned the wages subm-committee would lay down the main all-India policy and within the wage policy so laid down, the Industrial Committees of Central undertakings would consider what the wage in a particular industry should be. He said that it might be asked whether the work of the Wages sub-Committee would not impinge on the work of the Tribunals and also on collective bargaini but he expressed the opinion that it should be possible to settle disputes much quicker by the Tripartit Sub-Committees on wages than by referring them to Tribunals. As regards Provincial undertakings, he suggested that similar sub-Committee on wages should be set up by the Provinces. He, however, pointed out that the final decision must be taken either by the Central or Provincial Government since the Tripartite machinery would be an Advisory Body only. Summing up he said the points for deicision were as follows:-

(1) Tripartite machinery functioning at different levels- Central, Regional and Unit should be set up;

(2) Whether the Central Tripartite machinery should be newly created or should be the existing machinery be utilized? If the machinery was to be newly created, how should it be related to the existing machinery?

(3) What Sub-Committees of the Central and Provincial Tripartite machinery should be set up? Should there be a wages Sub-Committee for Industries at the Centre and should the Provinces also set up Sub-Committees for different Provincial Industries?

(4) What would be the nature of the Provincialmachinery that would be set up?

(5) Whether it was agreed that the Provincial and Central machineries should be linked up and if so, how?

(6) Whether it was agreed that the final decision in all matters should vest in the appropriate Government?

Mr. Bhoothalingam drawing attention to the declaration of Government's policy of the 6th April, 1948, pointed out that that Resolution was holding the field rather than the Resolution passed at the Industries Conference of December, 1947, and that the former differed from the latter in two ways in that it gave the idea of the machinery and that after making provision for fair wages etc., recommended that the profits should be divided on a sliding scale varying with production. He said that profit-sharing was more or less a different methods of giving increased amenities, in different parts of the world. He stated that the Government of India were attempting it as a part of the economic system and both in the field of wages and of profits and the Government were trying the to substitute a regular well co-ordinated policy instead of a series of separate decisions. Pointing out that so far it had been the

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been the application of a judicial process to a problem which did not really admit of a judicial resolution, he stated that the fundamental departure involved in the Resolution was that the Government of India were substitut a wage and profit policy for isolated determination of wag Striking a note of warning regarding the economic consequences of any policy decision as against those of individual awards, he pointed out that it was more or less agree that it was not possible to give a living wage at present andas such labour would have to be content with a fair wag which was the foundation of the policy of Government. He emphasized that there should be perfect co-ordination between the machinery to be set up under the Minimum Wages Act and that to be created for determining a fair wage. He stressed that the very fact that a fair remunerationfor capital was a second charge on the industry created a series of complications which, it was agreed at the last Labour Conference, should be studied by a special machinery. One of the greatest complications was the creating of conditions where the division of profits might create differential wages in different units or in the same industry. He pointed out that so long as the general springs of economic life continued to be private enterprise, there must be some incentive to the existing capital as also fre for the flow of further capital and as such, as a fundamental principle, Government would have to reconcile justice with a system of remuneration. He agreed with Mr. Lall that production might not always bear any relation to the profit. Stressing that the problems would have to be studied carefully, he said that in one sense it was already accepted that the main machinery for advising the Government on profit-sharing scheme should be the Central Advisory Council. He also draw attention to Mr. Lall's suggestions regarding the sub-Committees.

The HON'BLE MR. NANDA enquired when the Expert Committee would bring out their Report.

MR. BHOOTHALINGAM replied that it would be early in July,1948.

MR. LALL explained that the Report would be placed before the Central Tripartite machinery for scrutiny and examinationand that the Provinces would come in the Tripartite Body. He further explained that on the Expoert Committee, Government would nominate three employers', three workers' representatives, one economist and some others. In reply to Mr. Nanda's remarks, the Chairman pointed out that the All-India Trade Union Congress did not say categorically that they did not accept the Resolution but that they had submitted a written statement.

MR. NANDA felt that associating in the machinery people whose views were known to be against the Resolution, might wreck the machinery.

THE CHAIRMAN remarked that the organisations might command the alligiance of preponderating majority of workers and it would be difficult to exclude their representatives.

THE HON'BLE MR. NANDA pointed out that the members of the Expert Committee would be chosen because of their special knowledge and not as representatives of any organisation and that if any individual gave an opinion contrary to the objective of the Truce, the public would judge.

THE HON'BLE MR. KANUNGO stressed that so far as the Expert Committee was concerned, the selection of members must be left to the judgement of the Government of India but an organisation which had expressed the opinion that the Truce had to be sabotaged must be told that the Government would have nothing to do with them.

THE HON'BLE MR. REDDI suggested that in an Expert Body, there should be place for all important organisations.

THE HON'BLE MR. SAMPURNANAND entirely agreed with what Mr. Nanda had said.

THE HON'BLE MR. NANDA stressed that there must be a distinction between an Expert Body and an Advisory Board.

THE HON'BLE MR. REDDI enquired if the proposed Expert Committee would only take account of profits.

MR. BHoothalingam explaining the position stated that a big body like the Central Advisory Council would have to advise Government as to what should be the fair remuneration for capital and how profits should be divided. He pointed out that these two distinct problems were not susceptible of real debating in a very large body and that it was really a preparatory body which would cover sufficient data, the whole of which might be facts. He re-iterated that the remunerationfor capital should provide at least for the maintenance of sufficietnt supply of capital for the maintenance of the existing development and that what would be the level of return in capital which would ensure that result was a question of economic study and observation of facts and not a question of more opinion. He continued that having determined the profit available, the next point was how it should be share and how that share was to be related to production. This was a point for experts. He pointed out that the question raised by Mr. Nanda was applicable to the composition of the Central Advisory Committee and not of the experts.

THE HON'BLE MR. NANDA agreed with the above observations but stressed that care should be taken to see to it that th work was not hampered by importation of persons who did not believe in the thing at all.

THE CHAIRMAN did not agree with Mr. Nanda and explained that the idea was that individuals from the organisations would be appointed as members of the Central Advisory Council on the condition that they accepted the Truce Resolution. He further pointed out that in order to avoid unnecessary discussions in a bigger body, it was thought desirable to associate representatives of employers and workers with the Expert Committee from the very beginning. He then enquired from the House if the present Labour Conference should continue as the Central Advisory Council or as the Standing Labour Committee or a new body should be formed.

THE HON'BLE MR. KANUNGO was of the opinion that the Labour Conference should be reconstituted as the Central Advisory Council.

MR. LALL pointed out that the Labour Conference would have to be reconstituted.

THE HON'BLE MR. NANDA felt that there would be some difficulty if the idea was to have only those who had accepted the Truce Resolution and suggested that there shou be a separate machinery.

THE CHAIRMAN pointed out that if it was agreed to have a new machinery then its decisions could be placed before the Labour Conference.

MR. LALL enquired whether it was agreed that the Central Advisory Council would deal only with the implementation of the Truce Resolution and that there was no question of correlation or co-ordination with the work of the Labour Conference.

THE HON'BLE MR. KANUNGO replied in the affirmative.

THE CHAIRMAN re-iterated that only those persons who had accepted the Resolution would be appointed member of the Advisory Council.

THE HON'BLE MR. REDDI enquired whether it was necessary to take the matter to the Labour Conference at all.

THE CHAIRMAN replied that that was just for information although the decisions taken would be acted upon without waiting for the decision of the Labour Conference.

MR. S.K. CHATTERJEE did not favour the idea of setting up a separate body in addition to the Labour Conference and the Standing Labour Committee as that would mean duplication

THE CHAIRMAN explained that the Council would work out the details and whereas the Labour Conference would continue as the Advisory body to advise the Government on all matters connected with labour, the Central Advisory Council would be for the purpose of Industrial Truce only. He said it would not be said at that stage whether the Central Advisory Council would be a permanent body.

MR. BHOOTHALINGAM pointed out that under the Industrial Policy Resolution, an Industrial Advisory Council was to be set up which would not be a Tripartite Organisation but would include representatives of labour. He felt that if the findings of the Central Advisory Council were to be considered again by the Labour Conference, the proposed Industrial Advisory Council might press that these should be considered by them as well.

THE HON'BLE MR. NANDA said that it would very undesirable for the Government to take up the responsibility of settling the wages and that it would be better to leave that to the Tribunals to do.

THE CHAIRMAN enquired whether it was his idea that instead of settling the matter by Tripartite WageBoards, statutory Wage Boards should be constituted for the purpose.

THE HON'BLE MR. NANDA pointing out that Wage Boards were judicial bodies whose decisions were subject to appeal to the Industrial Court and could be supplemented by a Supreme Industrial Court. Referring to Conciliation Boards, Wage Boards and Industrial Courts, Industrial Committees etc., he expressed the opinion that the multiplication of Advisory Bodies would not be of any particular advantage. suggested that there should be only an Expert Committee on wages for the present as a sub-Committee of the Advisory Committee.

THE CHAIRMAN remarked that the Wage Committee would take into consideration all the existing awards and thrash out something to enable the Government to decide on those findings themselves and that there might not be the nrvrddsty of even a Wage Board. In reply to a query of Mr. Bhashyam, he replied that the Wage Committee could very well decide the wage question for the different provinces and States. Pointing out that there were the Provincial Advisory Councils, he said that the Provinces could form the Wage Committee. In reply to Mr. Nanda query, he pointed out that the difference between the works Committee and the Production Committee was that the Works Committee would have workers on it while in the Production Committee there might be outsiders, and that while there should be works Committees, it was not necessary to have a Production Committee in every factory.

ITEM - I THE MINIMUM WAGES ACT, 348.

THE MINIMUM WAGES ACT, 48.

THE HON'BLE MR. SAMPURNANAND suggested that the questic of the fixation of minimum wages for agricultural labour should be separated from that of industrial workers. Pointing out that various Committees had already been set up and that there were several awards already in force he felt that the question of fixing minimum wages for industrial workers was easier. The question was to decide the principle on which wages should be fixed. Referring to the principles laid down in the memorandum on the subject, he felt that some modifications were necessary in the average size of the family and the diatary. He drew attention to the fact that Dr. Patwardhan had given a vegetarian dietary to the Nimbkar Committee of the United Provinces. He further suggested that the rent payable by the worker would have to be taken into consideration and that the clothing for the North and the South/W would have to be different. He felt that wages fixed for the industrial worker should have some relation with the wages drawn by the same kind of worker in other occupations, particularly agricultural labour. Referring to the dearth of statistical data regarding agricultural labour, he pointed out that it would be more difficult to fix minimum wages for them. Drawing attention to the abolition of Zemindaris, he felt it would complicate matters still further and expressed the opinion that the per period of 3 years would not be adequate. He suggested that the Conference should lay down some general principles.

THE HON'BLE MR. BHASHYAM did not think there would be much difficulty in fixing the minimum wages for agricultural labour. Pointing out that there was not much diversity in agricultural labour and most of them were semi-skilled and that cost of living in the area could be ascertained, he felt that minimum wages could be fixed within 3 years. Considering the fact that unlike industrial workers the agricultural workers were unorganised, the village panchayat would have to enforce the minimum wage of agricultural labourers.

THE HON'BLE SHRI SAMPURNANAND felt that since payment in kind had also to be taken into account, the matter would be further complicated.

MR. KESAVAN felt that although the fixation of minimum wages of industrial workers was comparatively easy, that for agricultural labour was going to be very difficult. He was of the opinion that so far as Travancore agricultural labour was concerned, it was very essential that their lot should be improved by improving the methods of agriculture and increasing the yield from such cultivation, before fixing the minimum wage for them. He pointed out that the wages of the Travancore agricultural labour were so low that they could never be expected to have a dietary laid down in the memorandum. He said that the size of the family in Travancore was rather large and the average should be at least 5 as against 4 suggested in the memornadum.

MR. DRAVID (INDORE) suggested that the institution of minimum wages should be a part of an integrated policy of stabilization of all incomes and that there should be a uniform policy regarding the basic principles to be followed. He further suggested that some precautionary measures should be taken so that the fixation of minimum wages might not upset the existing wage structure. He felt that optimum standards even for minimum wage would have to be laid down and that after fixing the minimum wage, occupational minimum should be fixed gradually. He

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did not favour the idea that the "miscellaneous items" should, as suggested inthe memorandum, include education, medical aid and recreation. He suggested that the State should provide certain general services and that in the budget there should be provision ~~of~~ for services rather than for items of money. He did not think it would be possible to provide for women the same wages as men but if an item of work could be treated as a standard work as in the case of textiles, equal wages could be justified. Drawing attention to the fact that the number of job for women was decreasing, he felt that it would be better if the employment of women were restricted only to "unattached women Drawing attention attention to the fact that agricult ral labourers got only seasonal employment, he suggested that the principle to be followed should be that a worker would have to maintain his family throughout the year. He further suggested that if the idea was to keep a target in view and to approached that target stage by stage, it should be made clear what that target should be in respect of each stage and occupation. He felt that the machinery t be set up should not be a very elaborate and complicated affair.

THE HON'BLE SHRI BALAKRISHNA MENON welcomed all the suggestions made regarding industrial labour but felt that it might not be advisable to introduce legislation regarding agricultural labour, especially becuase the persons who would pay the wages to the worker were not in any way different from the worker from the economic point of view. Dwelling upon the conditions and sources of income of agricultural workers in his State, he stressed that unless radical reforms were worked out and mechanised production was resorted to, it would not be easy for the State to enforce any legislation regarding minimum wages.

THE CHAIRMAN remarked that there was no necessity for fixing the minimum wage in his State in view of the conditions obtaining there.

THE HON'BLE MR. NANDA felt that the question had very much diminished in importance because it had merged in the larger question of fair wages and that the Central Advisory Board, could be entrusted with the work. He expressed the opinion that the fixation of minimum wages for agricultural labour would be very difficult.

THE HON'BLE MR. KANUNGO suggested that the Provinces should make a survey of the wage conditions of agricultural workers in the different regions under expert guidance and direction from the Labour Bureau of the Government of India and that the expenses should also be largely borne by the Central Government. In reply to Mr. Nanda's query, Mr. Lall stated that the questionnaire relating to agricultural labour would be finalised very soon.

THE CHAIRMAN enquired of the Hon'ble Mr. Reddi whether the Madras Government were going to take up the problem soon.

THE HON'BLE MR. REDDI replied that that would take a lot of time. He, however, stated that the Provincial Government were setting up the necessary organisations. He referred to some of the difficulties obtaining in Tanjore district.

THE CHAIRMAN agreeing that there were obvious difficulties in fixing minimum wages for agricultural labour, stressed that if the question was not expedited, problems like those experienced in Tanjore would have to be faced. He pointed out that in some districts of Central Provinces and Bombay, agricultural labour suffered on account of those

~~troubles~~

troubles and lands remained uncultivated. He agreed with Mr. Kanungo that some enquiries would have to be conducted by the Provincial Governments in order to have some data. The question as to how far the Central Government would be able to meet the cost would be examined. He concluded by saying that the Central Advisory Board under the Act should be set up soon to take up all the questions, that it should be the same Advisory Council as under the Industrial Truce Resolution and that the Board would lay down the board basis on which minimum wages should be fixed in Industry as well as in Agriculture.

He thanked the members and impressed upon the House the imperative necessity of strengthening the inspection staff.

THE HON'BLE MR. NANDA thanked the Chairman and the officers of the Ministry of Labour and the Employment Exchanges on behalf of the members.

THE Conference was then adjourned sine die.

GOVERNMENT OF MADRAS
Development Department.

Lr.No.120280PIV/47-12. Fort St. George,
D/19-7-1948.

HTo
The Secretary to the Government of India,
Ministry of Labour,
NEW DELHI.

Sir,

Sub: Labour - Labour Ministers' Conference - Summary of proceedings -
Ref: Rai Bahadur Sadashiva Prasad's letter No. L.C.263(1) dated 30-6-48.

I am directed to request that,for the words 'United Provinces A.S.I. occuring in the report of Mr. K.G. Menon' remarks on p.11 of the summary of proceedings, the words 'United Planters Association of South India' may be substituted. This Government have no other comments to make on the draft proceedings.

Your obedient servant,

(Sd.) xxx

gs/5-9/

TO A.S.

Please see the letter from the Government of India on pp.117-118 c.f. and the summary of proceedings on pp.119-162 c.f. It is presumed that no amendments to and comments on the draft proceedings are necessary, except that on p.133 c.f. for the words "United Province A.S.I" the words "United Planters Associations of South India" may be substituted.

(Sd.) xxx
13/7/48

(Sd.) xxx
H.M.(Ind.)
16/7

TO A.S.

'X' above

Draft letter to India is submitted for approval.

(Sd.)
xxx
17/7/48.

Issued as letter No.120280.PIV/48, -12, d/19-7-48.

TO.A.S.

The papers may be recorded in G.O.No.4560, d/4-9-48.

Abstract.

Labour - Labour Ministers' Conference held in May 1948 - Papers recorded.

/True Copy/

R. Thiagarajan 2.2.54

Office Assistant,
Madras Record Office.

20-1-54

gs/5-9/